Raids against IRS officers

609. SHRI DATTA MEGHE: Will the Minister of FINANCE be pleased to state:

(a) the details of IRS officers, against whom raids were conducted by the CBI on charges of corruption during the last three years, till date; and

(b) the nature of departmental and other action taken against them so far?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Information is being collected and will be laid on the Table of the House.

New branches of foreign banks

610. SHRI EKANATH K. THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that in order to provide more liberal market access to foreign banks, India has offered at least 20 new branches of foreign banks every year;

(b) if so, whether it is also a fact that the limit bound by the World Trade Organisation (WTO) as of now is 12 foreign bank branches every year; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) In the "Road Map for presence of foreign banks in India" issued by RBI on 28.02.2005, it is proposed to go beyond the existing World Trade Organisation (WTO) commitment of 12 branches in a year for new and existing foreign banks. The number of branches permitted each year has already been higher than the WTO commitments. For under-banked areas, a more liberal policy will be followed.

Encouragement of foreign investment

†611. SHRIMATI MAYA SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Great Britain and other countries of European

†Original notice of the question was received in Hindi.

Union have taken initiative to encourage investment in India but are feeling reluctant regarding the slow progress of infrastructural development and negative attitude of Indian bureaucracy; and

(b) if so, Government's reaction thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) During the India-EU summit held in New Delhi in September, 2005, participants from U.K. and Europe assured Government of their abiding interest in investing in India and in the opportunities India offered.

(b) Government is taking steps to improve Infrastructure and Governance.

Rural credit by banks

612. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that rural credit extended by various Public Sector Banks in the country in the agriculture sector is only 36 percent; and

(b) if so, what measures Government propose to take to achieve 100 percent in extending rural credit in the farm sector?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Government made an announcement on 18th June 2004 on doubling the flow of agricultural credit in three years. The target for credit for agriculture and allied activities was fixed at Rs. 1,05,000 crore during the year 2004-05. The actual disbursement by the Public Sector Commercial Banks in 2004-05 in this regard was Rs. 64,610 crore as against the total disbursement of Rs. 1,15,242 crore (i.e. 56 per cent of total). Further, following steps have been taken, *inter-alia*, to provide easier loans to farmers and people living in rural areas:

(i) The banks have been asked to simplify the procedure for sanction of loan.

(ii) One page documentation has been circulated among banks for adoption.

(iii) Reserve Bank of India has instructed banks not to insist on collateral or margin for loans upto Rs. 50000/-.